

News Release

For release: 24 March 2017

Update on ANZ interest rates

ANZ today announced an update on variable home loan and business loan interest rates.

Principal and interest owner-occupier home lending

- Variable interest rates for the 80% of owner-occupier borrowers who repay principal and interest on their standard variable home loan remain **unchanged** at 5.25%pa.

Investor home lending

- The variable interest rate paid by property investors will increase by 0.25%pa from 5.60%pa to 5.85%pa effective 31 March.

Interest-only home lending

ANZ will introduce new variable interest rates for customers choosing to pay interest-only on their home loans.

- **New lending.** From 22 April, variable interest rates for new investor and owner-occupier home loan customers who choose to repay interest-only will increase.
 - Investor variable rate home loans (interest only) will increase by a further 0.11%pa from 5.85%pa to 5.96%pa.
 - Owner-occupier variable rate home loans (interest only) will increase by 0.20%pa from 5.25%pa to 5.45%pa.
- **Existing lending.** From late July, increases applied to new lending will apply to existing investor and owner-occupier variable home loan customers who choose to repay interest-only. ANZ will be writing to existing interest-only variable home loan customers from May to provide them with advance notice of the change and the option of switching to repay principal and interest on their loan at a lower interest rate without incurring a fee.

Business lending

- For business borrowers, business variable rate indices will increase by 0.08%pa.

ANZ Group Executive Australia Fred Ohlsson said: "We are pleased to be in a position to keep rates unchanged for the 80% of owner-occupier home borrowers who pay principal and interest on their loan.

"This is a clear signal that we are open for business for Australians either looking to buy a home or looking for a better deal.

"The changes we are making in home lending affect investors and borrowers who only repay interest on their loan. These changes reflect a need to closely manage our regulatory obligations, our portfolio risk and the competitive environment.

"We recognise the day-to-day challenges that home-owners face with their household budgets. We believe this is a balanced decision that reflects the range of regulatory and risk factors, and the pressures on family budgets.

"This is why we are providing our customers with interest-only home loans additional notice and the option to switch to repaying principal and interest to take advantage of the lower rate," Mr Ohlsson said.

Owner Occupier Standard Variable Home Loan Rates			
As at 9.30am, 24 March 2017			
ANZ 5.25%pa Unchanged	WBC 5.32%pa	NAB 5.32%pa	CBA 5.22%pa

ANZ has options available to help customers concerned about interest rates and their repayments. These include options for customers facing hardship. Customers who would like assistance should visit an ANZ branch, anz.com or contact ANZ on 13 13 14.

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Notes:

- The ANZ Equity Manager Rate will increase by 0.25%pa to 6.07%pa.
- ANZ Simplicity PLUS home and investor loans with interest only repayments will increase by 0.20%pa on 22 April for new lending customers. Customers with existing lending will be notified before being transferred to the new interest only indices and we expect to begin writing to them from May.